

PNE WIND AG

Financial report on the first three months
and the first quarter of 2014



Overview

The operational business of PNE WIND AG in the first quarter of 2014 is highlighted by the strong increase in the number of wind farms under construction in Germany as well as the significant progress in the development of projects at home and abroad. The offshore sector continued to develop six own projects and was active as a service provider to six additional offshore projects in development.

In the first quarter of 2014, the PNE WIND Group commenced construction on wind farm projects with a nominal capacity of approx. 100 MW in Germany. These projects are scheduled to be commissioned and put into operation in 2014. In addition, the PNE WIND AG had permits for additional wind farms in Germany with a nominal capacity of 23 MW on which construction is scheduled to begin shortly.

Abroad, permits for wind farms in France, United Kingdom and Italy were achieved.

With a strong project pipeline as the basis for our future earnings, we look forward with optimism and expect the Group to achieve a cumulative EBIT of euro 110 to 130 million during the financial years 2014 to 2016.

At a glance

PNE WIND AG group figures

In TEUR	01.01. – 31.03.2014	01.01. – 31.03.2013	01.01. – 31.03.2012
Total aggregate output	43,662	14,608	10,702
Revenues	32,939	12,174	8,972
Operating profit (EBIT)	-820	-2,531	-1,076
Result from ordinary activities (EBT)	-4,212	-3,643	-2,375
Net income	-5,180	-3,840	-2,408
Equity as at March 31	145,177	73,268	71,923
Equity ratio as at March 31, in %	33.76	42.36	40.71
Balance sheet total as at March 31	429,992	172,978	176,669
Earnings per share (undiluted), in EUR	-0.09	-0.09	-0.05
Average number of shares, in million	54.9	42.3	45.8

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Foreword



Martin Billhardt, Chairman of the Board of Management

Dear shareholders,

building on the momentum of 2013, the most successful financial year in the company's history to date, we continue with positive operational developments into the first quarter of 2014. The many years of preparation and planning are now coming to fruition with the commissioning, sale and commencement of construction on various German onshore wind farms. We have made further progress in the development of wind farm projects abroad and have received permits in France, United Kingdom and Italy. Based on our record earnings during the 2013 financial year and the positive outlook for 2014, we are proposing an increased dividend payment of euro 0.10 plus a special dividend of euro 0.05 per participating share to the annual shareholders' meeting in June.

In the first quarter of 2014, which – in contrast to the same period in the previous year – now also includes WKN AG and its subsidiary companies, the Group realised sales amounting to euro 32.9 million (previous year: euro 12.2 million), an operating result (EBIT) of euro -0.8 million (previous year:

euro -2.5 million) and an undiluted result per share of euro -0.09 (previous year: euro -0.09).

This year the onshore wind power segment is a major source of gratifying operational business events. Furthermore, it is clear that our strengthened international presence – above all as a result of the acquisition of WKN AG – has provided our business model with an even broader foundation. This will pay dividends in the future.

The PNE WIND Group is currently constructing wind farms with approx. 100 MW of nominal output in Germany which can still be commissioned according to the terms of the current German Renewable Energies Law (EEG). Additional wind farm projects have already been approved or are currently in the approval process. During the first quarter, we commissioned the Brandenburg located "Calau IIA" 15.4 MW wind farm and handed it over to CEE, a Beteiligungsgesellschaft based in Hamburg. A further wind farm in Brandenburg, "Görrike-Söllenthin" with 6 MW of nominal capacity was sold to EnBW Energie Baden-Württemberg AG in April.

There has been a great deal of discussion concerning the EEG in the past weeks and the German Federal Government has approved a draft law. Some initial proposals gave rise to substantial concern but with the help of industry associations and State governments, it was possible to prevent unreasonable changes to the EEG. According to the draft law, the Federal Government plans to increase the quantity of electricity provided by renewable energies from its current level of 25 percent to 40 to 45 percent by the year 2025 and to 55 to 60 percent by the year 2035. The target set by the Federal Government for the further increase of offshore wind energy also promises continued

opportunities, for which we are well positioned with our projects.

In parallel, we are also increasing our international activities. Currently, wind farms are under construction in the USA (up to 153 MW) and France (12 MW). Additional projects have already been approved in France (10 MW), Italy (30 MW), United Kingdom (20 MW), Hungary (78 MW), Rumania (102 MW) and Poland (32 MW). In Turkey we will be co-operating with STEAG GmbH in the future. The energy provider based in Essen has many years of experience in Turkish energy projects. We will now develop wind farm projects together in the newly founded joint company in preparation for the upcoming tenders.

Both our onshore and offshore project pipelines are full and promise continuous returns in view of the increase in the number of projects being currently implemented. On this basis we look to the future with optimism and confirm our forecast for the Group, including WKN AG: We expect a cumulative EBIT of euro 110 to 130 million in the financial years from 2014 to 2016.

We and also on behalf of our employees would like to thank you for your ongoing trust. Continue to stay with us in the future! We would be delighted to have the opportunity of welcoming you at our annual general meeting on June 4 in Cuxhaven.

Kind regards,

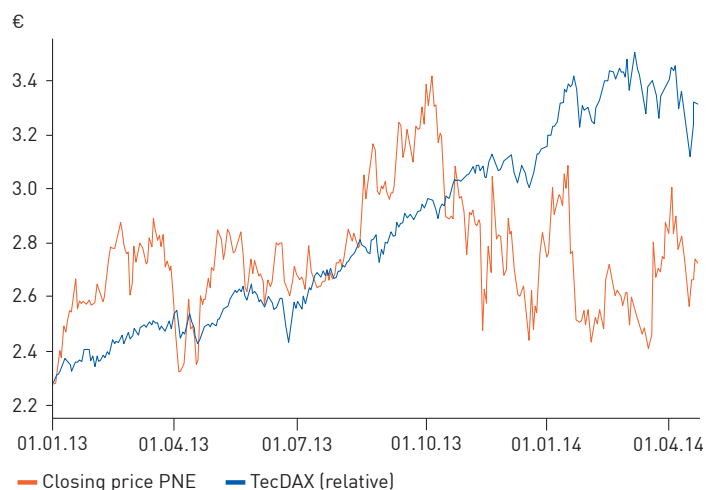


Martin Billhardt

- Chairman of the Board of Directors -

Capital market information

Share price, XETRA trading sector (January 1, 2013 to April 23, 2014)



Share

The shares of PNE WIND AG began the 2014 financial year with a price of euro 2.80, representing a 23 percent gain over the closing price on the first trading day in 2013. At the start of the current fiscal year the PNE WIND AG stock price, along with the overall market, increased in value and reached its highest point at euro 3.09 during the first quarter on January 17, 2014.

On the back of discussions about possible changes to the EEG, the price of the PNE-shares decreased significantly. The stock price on February 4, 2014 reached the lowest point during the first three months of the current year at euro 2.43.

In response to positive corporate events - including news in March on PNE WIND achieving its best annual result in its corporate history combined with a proposal to increase the dividend again - the share price developed positively through the end of the quarter. On March 31, 2014, the last trading day of the reporting period, the PNE WIND AG shares traded at euro 2.85 euro. This corresponds to a market capitalization of euro 156.4 million.

Bond information

PNE WIND AG issued convertible bonds in 2009 and 2010, which expire in July 2014 and the end of December 2014 respectively. Both bonds traded in excess of 100 percent during the reporting period. Bonds from 2010 were converted into 8,634 shares during the reporting period. As at March 31, 2014 convertible bonds totalling euro 9.8 million from both issuances were outstanding.

The corporate bond issued in 2013 with a volume of euro 100 million primarily traded over 100 percent during the reporting period. The equity ratio according to the definition in the 2013 bond prospectus was 39.2 percent as at March 31, 2014.

The PNE WIND AG participation certificates only traded to a very limited extent during the reporting period.

Shareholder structure

The total number of shares issued by PNE WIND AG amounted to 54,867,082 as at March 31, 2014. The increase in the total number of shares versus December 31, 2013 (54,858,448) resulted from the conversion of convertible bonds during the first quarter of 2014.

PNE WIND AG's largest single shareholder the Volker Friedrichsen Beteiligungs-GmbH held 7.667.265 shares on March 31, 2014 representing a 19.8 percent holding.

As at March 31, 2014 the members of the Board of Management held the following shares of the Company: Mr. Martin Billhardt 410,000 shares, Mr. Jörg Klowat 110,000 shares and Mr. Markus Lesser 55,500 shares. Of the members of the Supervisory Board, Mr. Dieter K. Kuprian held 10,000 shares, JUDr. Olaf Aden held 15,000 shares and Dr. Christian Rolfs held 20,000 shares of the Company. The Board of Management and the Supervisory Board hold together 1.13 percent of PNE shares outstanding as of March 31, 2014. Immediately after the end of the reporting period on April 1, 2014, Mr. Martin Billhardt sold 370,000 shares and Mr. Markus Lesser sold 45,500 shares over the counter at a price of euro 2.85 per share for the purpose to repay loans. After this share sale, the members of the Management Board and the Supervisory Board held 0.37 percent of PNE shares on April 1, 2014.

In accordance with the definition of Deutsche Börse AG the other shares were in the free float.

Financial calendar

June 4, 2014	General meeting of shareholders
August 13, 2014	Publication half year financial report 2014
November 12, 2014	Publication 3rd quarter 2014 report
November 2014	Analysts' conference/Frankfurt

Additional information

On the website www.pnewind.com you will find extensive information on PNE WIND AG as well as on current data concerning the share in the section "Investors' Relations". Here you can also download annual and quarterly reports, press announcements as well as background information on PNE WIND AG.

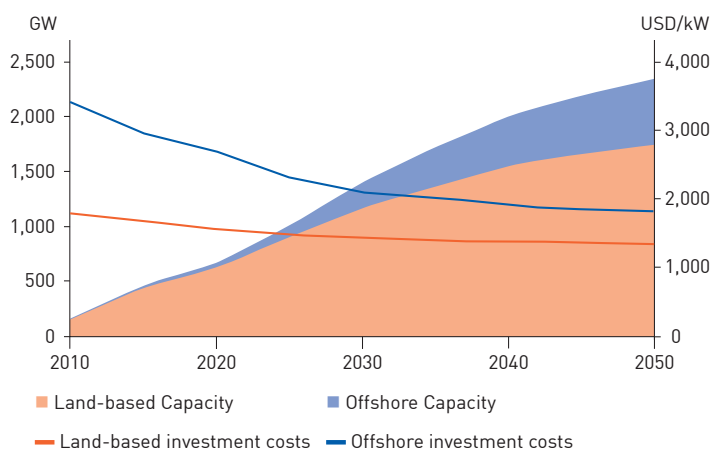
Key share data (as at March 31, 2014)

WKN	A0JBPG
ISIN	DE000A0JBPG2
Number of shares	54,867,082
Market capitalisation	euro 156.4 million
Market segment	Prime Standard
Indices	CDAX Technology, ÖkoDAX
Designated Sponsors	Commerzbank, VEM Aktienbank, Close Brothers Seydler Bank
Reuters	PNEGn
Bloomberg	PNE3

Condensed Interim Group Management Report der PNE WIND AG, Cuxhaven, for the first three months of 2014

1. Market/overall general economic conditions

Global land-based and offshore wind power deployment of capacity and costs



Wind power has undergone a major transformation and has emerged as a mainstream power supplier. The amount of new capacity installed each year now ranks at the top for all types of power generation in some of the world's leading economies. Since 2000, cumulative installed capacity has grown at an average rate of 24 percent per year (percent/yr) and in 2013 alone over 35,467 MW wind power capacity was added around the world, bringing total installed capacity to 318,137 MW. Annual investment volumes totalling tens of billions of Euros coupled with a strong growth outlook has beckoned international conglomerates to enter the sector, which in turn drives further

innovation. Energy storage solutions and investments in electricity grid systems will further unlock the potential of industry.

Improvements to the wind turbine technology have boosted energy yields and reduced operation and maintenance (O&M) costs. These developments have lowered the cost to produce energy from wind and in some markets it is already competitive on a stand-alone basis.

The International Energy Association has taken technology developments into its forecasts and projects that the amount of wind in the global electricity power mix, will rise from up 2.5 percent today to 15-18 percent by 2050.¹ Countries such as Denmark with 29.9 percent, Spain with 17.8 percent, Portugal with 20 percent, Germany with 7.9 percent and USA with 4.1 percent illustrate that wind power can make up a very substantial portion of the power mix, without triggering supply interruptions as many challengers to the industry have prophesized.

Wind power is no longer just a single market phoneme and to reach the EIA targets approximately 2,300 GW to 2,800 GW will need to be installed worldwide by 2050. These figures illustrate the opportunity which lies before the PNE WIND-Group and to be best positioned within the global wind energy market, the PNE WIND-Group focuses its activities on the development, construction and sale of wind farms in Germany, the United Kingdom, France, Poland, Italy, Sweden, Romania, Bulgaria, Hungary, Turkey, Canada, the United States, Ukraine and South Africa.

¹ IEA: Technology Roadmap Wind Energy, 2013 edition

Cumulatively, the 14 countries where the Group is active represented 64 percent of the total number of newly installed capacity in 2013 and 82 percent of the total installed capacity on a global basis. To meet the demand for wind farms today and in the coming years, the PNE WIND-Group invests in its project pipeline which comprises of more than 9,500 MW (onshore: approx. 4,800 MW & offshore: approx. 4,700 MW) of projects in various stages of development.

Country	2011	2012	2013	Installed nominal output
World	40,564	44,799	35,467	318,137
Europe	9,664	12,102	11,159	117,289
Bulgaria	28	158	7	681
France	830	814	631	8,254
Germany	2,007	2,439	2,998	33,730
Hungary	34	0	0	329
Italy	1,090	1,239	444	8,551
Poland	436	880	894	3,390
Romania	520	923	695	2,599
Sweden	754	846	724	4,470
United Kingdom	1,298	2,064	1,883	10,531
Turkey	477	506	646	2,956
Ukraine	66	125	95	371
North America				
USA	6,647	13,124	1,084	61,091
Canada	1,267	935	1,599	7,803

The installation rates presented here primarily illustrate onshore wind farms but offshore installations are making up a growing number of projects completed each year.

The construction of offshore wind farms is considered to be an essential growth driver for the wind power market. According to data from the European Wind Energy Association (EWEA) the European offshore market in 2013 registered additional construction of a total of 1,567 MW. With this already a total of 6,562 MW is being fed into the European electricity grid from wind power turbines.² In the high seas off the German North Sea and Baltic coasts, 116 offshore wind power turbines with a nominal output of 520 MW are now in operation. Grid connections for an additional 103 wind turbines with 395 MW of nominal capacity were under construction at the end of 2013.³

² The European offshore wind industry – key trend and statistics 2013

³ Deutsche WindGuard: Status des Offshore-Windenergieausbaus 2013, January 2014

2. General political conditions

In a number of markets in which the PNE WIND-Group operates there has been strong growth while others exhibited somewhat of a slowdown due primarily to regulatory uncertainty. Although producing electricity from the wind has matured and costs have fallen, it remains dependent on government policy in many markets to ensure that it has access to the electricity market and be able to compete against conventional energy production, whose generation costs are often masked by subsidies. Unlike renewable energy, the actual generation cost of conventional electricity is not directly reflected in its selling price and continued political support remains necessary to level the playing field.

EU targets

Support for electricity production from renewable energies is one of the highest priorities in the European Union (EU) for reasons of the security and the diversification of power supply as well as climate protection and the economic and social aspects. The 2009/28/EG guideline on renewable energy includes targets for all member states so that by 2020 the EU will achieve a share of 20 percent of its power from renewable sources.

It remains the responsibility of each member state to translate the EU targets policy into national policy.

Germany

The German wind power market continued to register substantial growth in 2013. According to the annual study by the German WindGuard, on behalf of the German Wind Energy Association (BWE) and the Association of German Machine and Plant Manufacturers (VDMA), wind power turbines with a nominal output of 2,998 MW (2012: 2,439 MW) were newly installed in Germany in 2013, bringing total installed capacity to 33,730 MW.

Of particular importance for the further development of wind energy is the legal framework established in the Renewable Energy Law (EEG). The EEG sets the electricity tariff for wind energy and also stipulates that power generated from renewable energy has priority access to the electricity grid. The EEG is in the process of being amended and the new coalition Government has proposed an accelerated schedule with the goal to have the amendments coming into force in August 2014. On April 8 the German Federal Cabinet decided on the draft legislation and parliamentary debate will now take place in the Bundestag (National Parliament of the Federal Republic of Germany).

According to the draft legislation, the federal government plans to increase the amount of electricity from renewable energy sources from today's level of 25 percent to 40 to 45 percent by 2025 and to 55 to 60 percent by 2035. These new targets are roughly in line with the national allocation plan of the EU, which sets the target of renewable energy achieving a 38.6 percent share of the German electricity sector by 2020. To achieve this 45,750 MW of wind energy capacity would be required.

The newly proposed annual expansion target by the federal government represents a range of 2,400 - 2,600 MW – this amount does not include adjustments for repowering installations.

On land there are perspectives which go beyond the development of new wind farm sites: within this repowering older wind power turbines with lower performance are replaced with new higher performance equipment. According to estimates of the Federal Association of Wind Power (BWE) a substantial increase in repowering can be expected in the medium to longer term. BWE estimates the market for repowering measures to be 1,000 MW per annum during the next few decades.

United Kingdom

According to the UK's National Renewable Energy Allocation Plan, the government aims to produce 30 percent of the country's electricity requirements from renewable resources by 2020, up from 9 percent in 2010. To reach the 2020 target, 28,000 MW of wind power should be installed. At the end of 2013, there were 10,531 MW installed in the United Kingdom.

The main policy support mechanism for renewable energy is promoted through the „Renewables Obligation“ programme which applies for projects installed prior to the end of March 2017. Over the course of 2013, there have been political developments to further support renewable energy. As part of the Electricity Market Reform a new contracts-for-difference (CFD) model for renewable energy projects has been presented as a draft. The CfDs provide a “strike price” for the electricity produced from projects completed by 2018 / 19.

France

According to France's National Renewable Energy Allocation Plan, the government aims to produce 27 percent of the country's electricity requirements from renewable resources by 2020, up from 15.5 percent in 2010. To reach the 2020 target, 25,000 MW of wind power should be installed. At the end of 2013, there were 8,254 MW installed in France.

The main policy support mechanism for renewable energy is promoted through a price regulation system based on a feed-in tariff. The French government is planning to implement an energy transition bill 2014. Recent announcements state the bill will include a carbon tax and a levy on nuclear power to help fund renewable energy.

Italy

According to Italy's National Renewable Energy Allocation Plan, the government aims to produce 26.4 percent of the country's electricity requirements from renewable resources by 2020, up from 18.7 percent in 2010. To reach the 2020 target, 12,680 MW of wind power should be installed. At the end of 2013, there were 8,551 MW installed in Italy.

The main policy support mechanisms in Italy have shifted from a green certificate system to a feed-in tariff system and finally a competitive auction for grid connection capacity. The Decree 6 July 2012 established a maximum of euro 5.8 billion in public funds which can be used to support renewable energy plants and as of December 31, 2013, the annual cost reached approx. euro 4.6 billion.⁴

⁴ ENEL Green annual report pg 36

Sweden

According to Sweden's National Renewable Energy Allocation Plan, the government aims to produce 63 percent of the country's electricity requirements from renewable resources by 2020, up from 54.9 percent in 2010. To reach the 2020 target, 4,547 MW of wind power should be installed. At the end of 2013, there were 4,470 MW installed in Sweden.

The main policy support mechanism in Sweden is based on renewable electricity certificates which are tradable in both Sweden and Norway.

Romania

According to Romania's National Renewable Energy Allocation Plan, the government aims to produce 42.6 percent of the country's electricity requirements from renewable resources by 2020, up from 27.5 percent in 2010. To reach the 2020 target, 4,000 MW of wind power should be installed. At the end of 2013, there were 2,599 MW installed in Romania.

The proposed regulatory changes supporting renewable energy outlined in the "Emergency Ordinance" from July 2013 became law during the first quarter of 2014. The main elements include a reduction in the number of Green Certificates to be issued to the producers of renewable energy. Furthermore, the Romanian Government passed a draft resolution during the reporting period which reduces the amount of renewable energy supported by the green certificate mechanism from 15 percent of gross electricity consumption to 11.1 percent in 2014.

Currently within Romania as well as between Romania and the EU Commission there are considerable political discussions about changes in the remuneration system for renewable energy.

Hungary

According to Hungary's National Renewable Energy Allocation Plan, the government aims to produce 10.9 percent of the country's electricity requirements from renewable resources by 2020, up from 6.7 percent in 2010. To reach the 2020 target, 750 MW of wind power should be installed. At the end of 2013, there were 329 MW installed in Hungary.

The main policy support mechanism in Hungary is based on a feed-in tariff system. In spite of this program, the development of wind power in Hungary has been limited by insufficient electricity grid capacity.

Bulgaria

According to Bulgaria's National Renewable Energy Allocation Plan, the government aims to produce 20.6 percent of the country's energy requirements from renewable resources by 2020, up from 10.6 percent in 2010. To reach the 2020 target, 1,256 MW of wind power should be installed. At the end of 2013, there were 681 MW installed in Bulgaria.

The main policy support mechanism in Bulgaria is based on a feed-in tariff system. In 2012, the Bulgarian government substantially reduced the payments for electricity produced from wind farms under this program and this reduction is greatly impeding the continued expansion of wind farms.

Turkey

The Turkish government intends to increase the proportion of renewable energies within the total electricity production mix to 30 percent by 2023 up from 9 percent in 2010. Total installed wind capacity would then be approx. 20,000 MW. At the end of 2013, there were 2,956 MW installed in Turkey.

The main policy support mechanism in Turkey is based on a feed-in tariff system. Additionally, there was a licensing procedure for grid capacity introduced in 2013, whereby an auction system is used for individual connection points.

North America

The US wind power market slowed down dramatically with the late extension of the PTC in 2012. According to the AWEA, wind power turbines with a nominal output of 1,084 MW (2012: 13,131 MW) were newly installed in the USA in 2013, bringing total installed capacity to 61,091 MW. Wind farm projects with a capacity of up to 12,000 MW secured the PTC in 2013 which should enable the continued expansion of wind power despite the expiry of the PTC.

In the USA, the federal support policy was prolonged at the end of 2012. Projects, which were under construction at the end of 2013 and are completed by the end of 2015, are eligible to claim the Production Tax Credit (PTC). Many individual states have enacted Renewable Portfolio Standards which require a certain percentage of electricity to be sourced from renewable energy plants.

Poland

According to Poland's National Renewable Energy Allocation Plan, the government aims to produce 15 percent of the country's electricity requirements from renewable resources by 2020. To reach the 2020 target, 6,650 MW of wind power should be installed. At the end of 2013, there were 3,390 MW installed in Poland.

Shortly after the end of the reporting period, the Polish government approved its long awaited Bill on renewable energy sources. It has yet to be finalised, but it provides visibility on how the regulatory policy in Poland may develop. The Bill provides a framework where operators of renewable projects will fall under the existing certificate system or the new Auction system rules depending upon when the projects are commissioned.

South Africa

The South African Integrated Resource Plan (IRP), promulgated in May 2010 by the national energy authority DoE, calls for an 18 GW renewable energy programme over the next 20 years. Wind energy is targeted to account for 8,400 MW of nominal capacity.

The government has initiated a competitive tender system under the Renewable Energy Independent Power Producer Programme (REIPPP) in which preferred bidders are selected. In the last round, 17 renewable energy projects with 1.5 GW of capacity were chosen. The projects included seven onshore wind farms totalling 787 MW. The fourth round of the REIPPP is targeted to close in August 2014 representing approx. 1,000 MW of renewable energy projects.

Ukraine

The Ukrainian government is aiming to tap its strong potential to develop renewable energy and thereby decrease the country's dependence on imported natural gas and oil. In 2009, a new feed-in tariff scheme was introduced by the adoption of the Green Tariff Law, and sets a guaranteed minimum feed-in tariff for electricity produced from wind, small hydro, biomass and solar energy. At the end of 2013, there were 371 MW installed in the Ukraine.

The continued development of our activities in the Ukraine is dependent upon a stabilization of the political environment.

We constantly monitor the general political conditions in all countries in which the PNE WIND-Group is active, in order to be able to react very quickly to changes.

3. Corporate structure

During the first quarter of 2014 the corporate structure changed versus December 31, 2013.

During the reporting period, the following company was first included in the scope of consolidation:

- PNE WIND Park IX GmbH & co. KG, Cuxhaven (100 Percent).

This event did not result in any material effects on the earnings, financial and asset situation.

4. General Accounting Principles

The financial report for the first three months of fiscal year 2014 as at March 31, 2014, the same accounting and valuation methods were applied as in the consolidated financial statements at December 31, 2013.

The interim financial statements have been prepared in accordance with the provisions of IAS 34. The tax expense is determined in the PNE WIND Group based on an estimate of the taxable income of the relevant companies.

5. Organisation und employees

As of March 31, 2014, there were 412 people employed at the group level of PNE WIND AG (prior year: 195). The employees of the subsidiaries are included in this number. Of these employees (including members of the Board of Management and trainees) there were 140 (prior year: 130) working at PNE WIND AG at the end of the first quarter. A total of 272 employees were at our German (199 employees, of which 131 are WKN AG employees) and international subsidiaries (73 employees). The strong rise in the number of employees in the Group over the previous year is due to the inclusion of the WKN employees. The personnel basis needed for the continuation of our growth path has now been attained with the current number of employees.

6. Summary of business activity

During the first quarter of 2014, the PNE WIND Group (PNE WIND AG and WKN AG) continued its operating business of wind farm projecting both onshore and offshore in Germany and abroad.

The development of the individual segments:

Segment: projecting of wind power turbines

Sub-segment onshore wind power

During the first quarter of 2014, the development and realisation of wind farm projects on land were carried out continuously both in Germany as well as in the foreign markets in which PNE WIND AG is active through subsidiaries or joint ventures.

Germany:

In the „onshore wind power“ sector of PNE WIND AG during the first quarter of 2014, the „Calau IIA“ wind farm with five wind power turbines (WPT) and a rated nominal capacity of 15.4 MW was commissioned and handed over to the buyer. The project was sold to CEE, a Beteiligungsgesellschaft based in Hamburg in 2013. During the first quarter of 2014, 60.4 MW of projects were under construction in Germany. These projects include “Kemberg IIA” (2 MW), “Kemberg III” (9.6 MW), “Leddin IV” (4 MW) and “Sontra” (12 MW) as well as the next construction phases of the “Calau II” windfarms (30.8 MW) and the extension of the “Görike-Söllenthin” project (2 MW). These wind farms are scheduled to be completed and commissioned in 2014.

At the end of the first quarter, PNE WIND AG had additional permits for wind farms with 23 MW of nominal capacity. Construction on these wind farms is scheduled to begin shortly. Additional permits for wind farms are expected shortly for projects which were still in the approval process at the end of the reporting period.

In order to be able to realise wind farm projects in Germany as soon as possible after obtaining the relevant permits, PNE WIND AG has since the end of 2012 signed contracts for wind power turbines with a total nominal output of more than 180 MW. A part of the turbines ordered have already been installed and a greater portion is for wind farms which are currently under construction. The

contracts with the established German manufacturers, Enercon, Senvion (formerly Repower) and Nordex as well as the established Danish manufacturer, Vestas include long term maintenance contracts.

Germany remains a core market for the WKN Group. WKN AG, which is majority owned by PNE WIND AG, completed the "Ebersgrün" wind farm with four wind power turbines and a nominal output of 8.2 MW in 2013. At the end of the fiscal year there were construction permits for three wind farm projects with 14 wind power turbines and a nominal output of 41 MW. These wind farm projects developed by WKN AG were sold in 2013 and should be completed and put into operation in 2014. Further wind farm projects with a nominal output of 27 MW were in the approval process at the end of the reporting period. It is expected that these wind farms will be constructed during 2014.

In total, the PNE WIND Group (PNE WIND AG and WKN AG) was working at the end of the first quarter 2014 on German onshore wind farm projects with a nominal output of approx. 1,300 MW in various stages of project development.

The core business of project development was also continuously carried out by the PNE WIND Group abroad.

United Kingdom:

PNE WIND UK Limited is planning during the next few years substantial investments in wind farm projects in the United Kingdom, which are currently being developed with a nominal output in excess of 750 MW. These include projects which are being developed independently by PNE WIND AG as well as projects which are being worked on jointly with the Scottish Forestry Commission. The cooperation with the Scottish Forestry Commission was continuously carried out intensively for the development of wind farm areas in Central Scotland. Sites for up to 13 wind farm projects have been identified in the Scottish National Forest in the counties of Argyll and Bute, West Dunbartonshire, Stirling, Perth and Kinross as well as in Angus. With an agreement on the contractual arrangement for the future joint project development and management companies in 2013, the timing for the further development of the projects selected by the Forestry Commission has been established. In the third quarter of 2013, the first project locations reached the next stage of planning. PNE WIND is developing these wind farms in close consultation with the Forestry Commission and local communities.

Independent of the cooperation with the Forestry Commission PNE WIND UK is also developing additional wind farms in the United Kingdom. The permit for the "Tralorg" project (20 MW) has been applied for from the Scottish Energy Minister and was granted in February 2014.

For a project of the WKN Group with 66 MW, the permit from the local approving authority (Highland Council) was obtained in 2013 and the second step is now to obtain the permit from the Scottish Energy Minister. The project has been named as a showcase example on the basis of its positive cooperation with the municipalities in a study undertaken by the government (Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments).

USA:

In the USA the electricity prices are very low due to the current gas prices. Nevertheless, according to estimates of the International Energy Authority (IEA) electricity prices will increase in the medium term and that a further extension of wind power can be expected in the USA. On the basis of this outlook, PNE WIND USA is focused on the development of its project portfolio. The wind farm projects which have already been worked on are being developed further intensively and economically optimised, in order to be able to market them profitably as soon as possible. During the fourth quarter 2013 PNE WIND USA started with the construction of the "Chilocco" wind farm project in the US state of Oklahoma. Wind power turbines with a nominal output of up to 153 MW can be constructed in several project phases.

In the USA the WKN Group has a project in the state of Montana with a nominal output of up to 396 MW.

Hungary:

In Hungary two wind farm projects developed by our subsidiaries have already been approved. 32 wind power turbines with a nominal output of 78 MW can be constructed in these wind farms. With these permitted wind farms the subsidiaries will participate in the next tender for grid connections to the high voltage electricity distribution systems or realise the value created through the sale of the projects.

Bulgaria:

PNE WIND AG continued the development of wind farms in Bulgaria. However, the general political and economic conditions are currently poor due to a significant reduction in the feed-in payments in 2012. This makes it difficult to construct and operate wind farm projects there profitably. For this reason the existing project pipeline in Bulgaria continues to be analysed with regard to its profitability and thus to its later implementation.

Romania:

The development of wind farms in Romania was continued by PNE WIND AG. However, possible changes in the feed-in payments, which are currently being discussed, are leading to uncertainties. In Romania wind farm projects are currently being developed in an advanced stage by PNE WIND AG with a nominal output of up to 157 MW. For two projects with a total nominal output of 102 MW the permits have been granted, the grid connections have been secured and the technical construction maturity has been achieved.

Turkey:

In Turkey PNE WIND AG is currently developing wind farm projects with up to 700 MW of nominal output. These projects are being prepared for the next licence application round decided on by the government, which is a prerequisite for the realisation of such projects. In the beginning of April 2014, PNE WIND AG and STEAG agreed to establish a joint company with the goal to develop

wind farm projects together in Turkey going forward. PNE WIND and STEAG will each hold a 50 percent stake in the company.

France:

In the first quarter of 2014, WKN Group received the construction and environmental approval for a project with 10 MW in France. The project is currently in the objection period for the project. Once this period has lapsed the sales process will be initiated.

The WKN Group sold in 2013 the rights to a project with a nominal output of 12 MW to KGAL GmbH & Co. KG, an investment manager for long term fixed capital investments. In this respect a turbine delivery contract with ENERCON as well as a grid connection contract was transferred to the operating company. On the basis of the contracts which were concluded, WKN France SAS is responsible for the construction management for the whole project including the cabling infrastructure, transformer station, roads and crane sites. It has been contractually agreed that this project would be put into operation by July 31, 2014.

In addition, applications have been submitted for construction and environmental permits for three more projects with a nominal capacity of 39 MW. Currently the official review is taking place.

Italy:

In Italy the "VIA" (environmental permit) has been obtained for a project with a nominal output of 40 MW. With the grid connection situation being clarified and the construction permit (Autorisation Unica) being granted, WKN AG intends to participate with this project in the upcoming tenders. In December 2013 a further project was granted the environmental permit for 18 wind power turbines and is now in a good position for participating in the auction in 2014.

In principle quite long project development periods of five to seven years must be expected in Italy, since the bureaucratic obstacles frequently delay the projects.

Poland:

In October 2013 the construction permit could be obtained for a project with a nominal output of 32.2 MW. Discussions are currently taking place with potential investors. The marketing of the project can take place as soon as there is clarification regarding the new regulations in respect of the Polish feed-in payments. An important first step in the political debate was the publication of the new draft law in the first quarter of 2014.

Sweden:

The WKN Group is currently developing four wind farm projects in Sweden. For three of these projects the permitting applications have been already been submitted with the competent authority. Documents for the fourth project should also be submitted in 2014.

South Africa:

At the beginning of 2013 the WKN Group obtained the construction permit for a 100 MW project. On the basis of preliminary contracts with banks and investors the project was included in August 2013 in the tender process. The "Ubuntu" project has not been selected for the current tender as of yet and the possible post-nomination for a variety of projects has not yet been conducted by the South African government. With the return of the tender-bank guarantees for these projects which were in the post-nomination process, the likelihood has increased that the project will need to be re-submitted for the upcoming tender in August 2014. Various scenarios for participation in the August tender are currently being reviewed, in case the possible post-nomination round by the South African government is not completed.

An additional project with a nominal output of approx. 30 MW is expected after obtaining the construction permit to participate in the upcoming 2014 tender. There is the risk that objection period for the building permit will not have lapsed without objection prior to the tender in August.

Currently sites as well as projects for the further extension of the project pipeline are being evaluated.

Ukraine:

In the Ukraine the WKN Group is currently working on several wind farm projects, which are still in an early stage of development. Due to the political situation in the Ukraine, projects are not being further developed.

Total activities in the international markets:

In total the PNE WIND Group, through subsidiaries and joint ventures, was developing as at March 31, 2014, international projects in various phases of a multiple year development process with more than 3,500 MW of nominal output. On the basis of the Group's business development, the Board of Management is confident to achieve further growth and to be able to diversify its business through the internationalisation of its wind farm development business.

Segment offshore wind power

"Atlantis" projects

The business activities of PNE WIND AG in the offshore sector were significantly expanded during the fiscal year 2013: three offshore projects were acquired from BARD Engineering GmbH through the subsidiaries "Atlantis" I to III, in order to participate in the further expansion of offshore wind power in Germany. The projects were developed to such an extent by the previous owners that they are now in the planning permit process at the Federal Office for Shipping and Hydrographics (BSH). PNE WIND AG intends to develop the acquired projects further through the approval stage up to the point of construction maturity. On the basis of our experience and knowhow in the offshore sector, PNE WIND AG has the proven ability to create and realise the value of such projects.

The PNE WIND subsidiaries "Atlantis" I to III paid on the conclusion of the purchase contract a total purchase price of euro 17 million. Additional variable instalment payments, which could amount to significantly more than the fixed payment, will be due to the seller as the projects reach defined points in their development or have been sold.

According to current planning, up to 240 wind turbines with 5 MW of nominal capacity each could be built in the three acquired offshore wind farm projects. The project areas are located in the German Exclusive Economic Zone (EEZ) in the North Sea.

"Gode Wind" projects

In August 2012 the offshore wind farms, "Gode Wind" I to III were sold to the Danish energy group, DONG Energy Power A/S (DONG Energy). The shares in the "Gode Wind" I and II were transferred 100 percent to DONG Energy. The construction of the "Gode Wind" projects is planned to begin during the first half of 2015 with operations beginning in 2016. PNE WIND AG has received payments totalling euro 129 million for the shares in the project companies, the incurred project development costs and the reaching of milestones.

On the achievement of predefined project development steps, milestone payments totalling up to euro 25 million are expected to be received. A milestone payment will be triggered with the Federal Maritime and Hydrographic Agency approval for the "Gode Wind III" project. A further milestone payment totalling euro 15 million will be due when the decision is taken to construct and finance of the second phase of "Gode Wind 2" (current project name: "Gode Wind 4").

Within the context of the transaction PNE WIND AG will support DONG Energy as a service provider during realisation of the project till 2017. The volume of this service provider contract amounts to up to euro 8.5 million during the period 2012 to 2017.

"Nemo", "Nautilus" and "Jules Verne" projects

During the period under report, work was continuously undertaken on the other offshore projects of PNE WIND AG in the North Sea. The "Nemo", "Nautilus" and "Jules Verne" projects are currently being developed to the point of ready to construct. These offshore projects are located in the North Sea within the German Exclusive Economic Zone (EEZ) about 180 kilometres North West of the island of Helgoland. According to the current planning, 80 offshore wind energy turbines are planned to be approved in each of the project areas.

"Borkum Riffgrund" projects

The "Borkum Riffgrund I" offshore wind farm project, which was previously sold to DONG Energy and PNE WIND AG continues to act as a service provider, developed positively. After DONG Energy made its investment decision for the "Borkum Riffgrund I" offshore wind farm, construction has started. The first wind power turbines are scheduled to be put into operation in 2014. The DolWin alpha transformer station which is necessary for the 800 MW grid connection and is being designed by ABB on behalf of TenneT should be completed in 2014. BSH granted the construction permit for the neighbouring "Borkum Riffgrund II" offshore project in December 2011. DONG

Energy has delayed this project, since the grid operator TenneT has not yet given a specific date for the grid connection. DONG Energy has not yet made a final investment decision for "Borkum Riffgrund II".

"Nautilus II" project

The "Nautilus II" offshore wind farm project, which has been developed by PNE WIND AG, is still in the planning and application stage. Following the sale of the project in November 2011, PNE WIND AG remains active as project developer until the permit is issued. The project is planned for up to 80 offshore wind power turbines with a nominal output of up to 7 MW each. The project area is located in the North Sea within the Exclusive Economic Zone of the Federal Republic of Germany about 180 kilometres North West of Helgoland.

Total offshore

In total, PNE WIND AG was working as at March 31, 2014 on twelve offshore projects, of which six are fully owned by the company. For the remaining six, PNE WIND is active as a service provider. Three of the projects, which were developed and sold by PNE WIND AG are already under construction: "Borkum Riffgrund I" as well as "Gode Wind" 1 and 2. According to the current planning a total of up to 480 wind power turbines can be constructed in our own offshore wind farms. Decisive for the exact number is the nominal output of the turbines to be selected, which can amount to between 3 and 7 MW. In total, the planned nominal output of our six own offshore projects amounts to up to 2,640 MW.

Segment electricity generation

The electricity generation segment combines all activities of the Group companies, which are engaged directly in the production of electricity from renewable energy. This sector includes our "Altenbruch II" and "Laubuseschbach" wind farms operated PNE WIND AG and the "Passauer Land" solar farm, which has been operated by WKN Group since 2006. The solar park is located in Bavaria with a nominal output of 3.3 MWp. The segment also included PNE Biomasse AG, which in accordance with a business supply contract provides the personnel for the timber biomass power plant in Silbitz. Furthermore, the segment also includes shares in limited partnerships, in which future onshore wind farm projects are to be implemented.

Until the sale and delivery of wind farms to the operators, the electricity generation segment includes the revenues of these wind farms within the context of the segment reporting.

The electricity generation segment achieved in the first quarter of 2014 an EBIT of euro 1.3 million (prior year: euro 1.0 million).

7. Economic report

a. Revenues and earnings

The figures shown below were drawn up and presented in accordance with IFRS for the Group. The figures shown in the text and in the tables were rounded, and small rounding differences are possible.

Due to the inclusion of the WKN Group in the consolidation, Group figures are only comparable to a limited extent with the prior year.

PNE WIND AG Group achieved in the first quarter of 2014 in accordance with IFRS a total performance of euro 43.7 million (prior year: euro 14.6 million). Of this euro 32.9 million was attributable to sales (prior year: euro 12.2 million), euro 10.1 million to changes in inventory (prior year: euro 2.3 million) and euro 0.6 million (prior year: euro 0.2 million) to other operating income.

The activities of the Group in project development in Germany and abroad and also both onshore and offshore are reflected by the expense items. Due to the further development of onshore and offshore projects and the implementation of onshore projects the cost of materials in the Group increased from euro 9.2 million to euro 30.6 million. During the first quarter of 2014, personnel expenses amounted to euro 7.2 million and thus increased in comparison with the amount of the prior year (euro 3.8 million).

The other operating expenses within the Group in the amount of euro 4.9 million (prior year: euro 2.9 million) include primarily expenses from legal and consulting costs, advertising and travel expenses as well as rental and leasing costs.

Depreciation increased to euro 1.9 million versus the prior year period (euro 1.3 million). Depreciation was incurred primarily at the "Altenbruch II" wind farm, which is operated for own account, the "Passauer Land" solar farm and at the "Silbitz" timber biomass power plant.

During the first quarter of 2014, operating income (EBIT) amounted to euro -0.8 million (prior year: euro -2.5 million) and earnings before tax (EBT) amounted to euro -4.2 million (prior year: euro -3.6 million) at the consolidated level. The consolidated net income after minority interests amounted to euro -5.2 million (prior year: euro -3.8 million). The undiluted consolidated earnings per share amounted to euro -0.09 (prior year: euro -0.09) and the diluted consolidated earnings per share amounted to euro -0.09 (prior year: euro -0.06).

The group retained earning per March 31, 2014 amounts to euro 30.0 million (December 31, 2014: euro 35.2 million).

With regard to the subsidiaries consolidated in the Group the major portion of revenues achieved in the first quarter of 2014 was in respect of management remuneration and service payments in

the amount of euro 1.2 million (prior year: euro 1.0 million), payments for the use of transformer stations in the amount of euro 0.4 million (prior year: euro 0.3 million) and proceeds from the sale of electricity in the electricity generation sector in the amount of euro 3.4 million (prior year: euro 2.8 million). The consolidated group of WKN AG reported sales of euro 19.3 million (previous year: euro 0.0 million) and an EBIT of euro -0.9 million (previous year: euro 0.0 million) during the first quarter of 2014. The WKN group was first consolidated in the PNE WIND group in the third quarter of 2013.

Taking into consideration the costs incurred within the context of the preliminary work in project development, which will be paid back in the medium to longer term, the results of the Group and of PNE WIND AG corresponds to the expectations of the Board of Management.

b. Financial situation/liquidity

The figures shown in the text and in the tables were rounded from a commercial point of view, and as a result small rounding differences are possible.

The statement of cash flow gives information on the liquidity situation and the financial situation of the Group. As at March 31, 2014 the Group companies had available liquidity in the amount of euro 202.1 million including the syndicated working capital lines available to WKN AG (see explanation below) as well as credit lines for interim project financing, of which an amount of euro 1.8 million is pledged to banks (prior year: euro 56.2 million, of which euro 0.5 million pledged).

The liquidity available is broken down as follows

- Cash and cash equivalents in the amount of euro 60.0 million,
- Free syndicated working capital lines in the amount of euro 8.8 million and
- Interim project financing available in the amount of euro 133.3 million.

Furthermore, PNE WIND AG has available a guarantee credit for guarantee and contract fulfilment obligations in the amount of euro 3 million and WKN AG has such credits in the amount of euro 15 million.

Explanation:

The WKN Group is financed mainly by a syndicated working capital credit amounting to a total of euro 29 million as well as a working capital loan in the amount of euro 6 million as a base financing. As a result of an early prolongation of the syndicated loan, which took place in September 2013, this credit now has a maturity up to June 30, 2016. Furthermore, at the WKN AG level there are additional working capital credit lines in the amount of euro 0.6 million.

The cash flow from ordinary activities shown in the statement of cash flows in the amount of euro -19.8 million (prior year: euro 15.3 million) was primarily attributable to

- the negative Group result,
- the increase in receivables from long term production contracts arising from wind farm in the realization stage
- The expenses for the further development of the project pipeline, which is reflected in the inventories.
- The decrease in accounts payable.

In the cash flow from investing activities, payments received and payments made for investments in the property, plant and equipment of the Group are included in the amount of euro -1.7 million (prior year: euro -0.9 million). The cash flow was primarily impacted by the investments in substations for the wind farm projects currently being implemented.

During the period under report the cash flow from financing activities in the amount of euro 4.2 million (prior year: euro -8.0 million) was influenced primarily by

- the repayment and disposal of credit liabilities in the amount of euro -3.1 million as well as the taking of bank loans in the amount of euro 7.2 million primarily for the interim financing of wind farm projects being implemented.

Following the conversion of 2010/2014 convertible bonds with a nominal value of 19,000.00 during the period under report, 8,634 new shares were issued. As at March 31, 2014, the subscribed capital of the Company amounted to euro 54,867,082.00.

As at March 31, 2014 the Group had available cash in the amount of euro 60.0 million (prior year: euro 43.0 million).

PNE WIND AG had cash in the amount of euro 45.4 million, of which euro 1.8 million was pledged to banks as at March 31, 2014 (prior year: euro 39.1 million, of which euro 0.5 million was pledged).

Additional information on the liquidity situation and the financial position of the Group as well as of PNE WIND AG can be found in the corresponding tables in the statement of cash flows following this management report.

c. Situation of statement of financial position

Assets (in EUR million)	31.03.2014	31.12.2013
Total long term assets	151.0	150.2
Intangible assets	56.2	56.3
Property, plant and equipment	76.0	76.1
Long term financial assets	8.7	8.6
Deferred taxes	10.1	9.2
Assets designated for sale	0.8	0.8
Total short term assets	278.2	283.9
Inventories	149.8	145.9
Receivables and other assets	66.9	59.4
Tax receivables	1.5	1.2
Cash and cash equivalents	60.0	77.4
Total assets	430.0	434.9

At the date of the statement of financial position the consolidated total assets of PNE WIND AG amounted to euro 430.0 million. This amount decreased by -1.14 percent in comparison with December 31, 2013.

The long term assets increased in total from euro 150.2 million at the end of 2013 to euro 151.0 million. As at March 31, 2014 intangible assets totalled euro 56.2 million, representing a reduction of euro 0.1 million as compared to the amount recorded on December 31, 2013. By far the most important element of this item is the goodwill of the wind power projecting segment in the amount of euro 51.8 million (of which projecting of wind power is valued at euro 20.0 million and WKN is valued at euro 31.5 million). In the same period property, plant and equipment decreased by euro 0.1 million to euro 76.0 million (December 31, 2013: euro 76.1 million). This item primarily includes land and buildings (euro 17.7 million without the land and buildings of "Silbitz"), transformer stations owned (euro 8.3 million), as well as the technical equipment and machinery of the "Altenbruch II" wind farm project (euro 28.1 million), the "Passauer Land" solar farm (euro 10.2 million) and the Silbitz timber biomass power plant (euro 5.5 million including land and buildings in the amount of euro 3.0 million).

Under the position "assets held for sale" are the values arising from the "Gode Wind 3" offshore project.

During the period under report, short term assets decreased from euro 283.9 million as at December 31, 2013 to euro 278.2 million as at March 31, 2014. This decrease is mainly attributable to reduction in liquid assets. Of the short term assets euro 43.9 million are attributable to receivables (December 31, 2013: euro 34.4 million).

The work in process shown in the inventories increased from euro 129.2 million as at December 31, 2013 to euro 140.7 million. The increase in work in process is attributable mainly the further development of the pipeline. The "Nemo", "Nautilus" and "Jules Verne" offshore projects

(euro 8.8 million) as well as “Atlantis I – III” (euro 27.3 million) are included in the work in process for a total amount of euro 36.1 million.

As at March 31, 2014 cash and cash equivalents amounted to 60.0 million (December 31, 2013: euro 77.4 million).

Liabilities (in EUR million)	31.03.2014	31.12.2013
Shareholders' equity	145.2	150.6
Deferred subsidies from public authorities	1.0	1.0
Provisions	12.2	12.1
Long term liabilities	179.0	174.4
Short term liabilities	79.8	85.7
Deferred revenues	12.8	11.1
Liabilities in connection with assets designated for sale	0.0	0.0
Total liabilities and shareholders' equity	430.0	434.9

On the liability side consolidated shareholders' equity increased from euro 150.6 million (December 31, 2013) to euro 145.2 million as at March 31, 2014. This development was due the negative result of the Group. As at March 31, 2014 the equity ratio of the group amounted to 34 percent (as at December 31, 2013: 35 percent) and the third party capital ratio amounted to 66 percent (as at December 31, 2013: 65 percent). The long term liabilities increased from euro 174.4 million at the end of 2013 to euro 179.0 million. This item consists mainly of financial liabilities in the amount of euro 174.9 million. These liabilities include those towards convertible bond creditors in the amount of euro 9.8 million (a part of the convertible bond is shown as shareholders' equity in accordance with IFRS) as well as the liability in respect of the corporate bond issued in May and September 2013 (see next paragraph) in the net amount of euro 95.5 million. The gross proceeds from the bond amounted to euro 100.0 million; in accordance with IFRS the expenses directly connected with the bond in the amount of euro 5.1 million were netted with the liability in respect of the bond. The inclusion of these expenses takes place over the maturity of the bond as interest expense (since the issue of the loan, interest expense of euro 0.7 million has been recorded of which euro 0.2 million was recorded during the first quarter of 2014). Moreover, long term liabilities to banks are included in the amount of euro 62.8 million. The liabilities to banks include mainly

- the syndicated working capital credit line of WKN AG (euro 20.8 million, of which long term euro 20.8 million – see description below),
- terminal working capital loan of WKN AG (euro 6.0 million, of which long term euro 6.0 million),
- the project financing of the “Passauer Land” solar farm (euro 6.4 million, of which long term euro 5.6 million),
- the project financing of the “Altenbruch II” wind farm (euro 24.5 million, of which long term euro 21.0 million),
- the project financing of the timber biomass power plant, “Silbitz” (euro 3.0 million, of which long term euro 2.4 million),
- the project financing of wind farm projects in Germany (euro 18.9 million, of which long term euro 0.0 million),

- the financing of the buildings of the companies of PNE WIND AG at the corporate headquarters in Cuxhaven and of WKN AG in Husum (euro 5.1 million, of which long term euro 4.4 million)

Explanation:

Loan liabilities due in the short term from the take-down of the syndicated working capital credit line of WKN AG in the amount of euro 20.8 million, which are essentially taken down as short term money market credits, were classified as long term in accordance with IAS A.73, since within the context of a long term syndicated credit there exists a claim for the refinancing of these liabilities, and the Group intends to make use of this possibility.

On March 31, 2014 the total number of shares issued by PNE WIND AG amounted to 54,867,082. The increase versus December 31, 2013 (54,858,448 shares) resulted from the conversion of convertible bonds during the fiscal year 2014.

PNE WIND AG has undertaken in a contract to the limited partners of the operating company of HKW Silbitz that it would acquire their limited partnership shares at the beginning of 2017 at a price of 110 percent of the nominal amount. Due to this undertaking other financial liabilities include a discounted purchase price liability as at March 31, 2014 in the amount of euro 6.0 million. Furthermore, PNE WIND AG had offered the limited partners of HKW Silbitz GmbH & Co. KG a distribution guarantee until 2016, which is included in the provisions at a discounted amount of euro 0.8 million.

During the first quarter of 2014, the short term liabilities decreased from euro 85.7 million (December 31, 2013) to euro 79.8 million. The trade accounts payable decreased from euro 12.1 million (December 31, 2013) to euro 11.8 million. Despite the decrease in the total short term liabilities, short term financial liabilities increased from euro 39.0 million (December 31, 2013) to euro 41.2 million. This change was mainly attributable to short term project financing with maturities of less than one year, and which are transferred to the investors after the wind farms are completed. Taking into consideration the liquid funds, the net indebtedness on March 31, 2014 was euro 156.1 million (December 31, 2013: euro 134.1 million) in accordance with DVFA – German Association for Financial Analysis and Asset Management.

8. Transactions with closely related companies and persons

During the first quarter of 2014, there were the following transactions with closely related persons:

PNE WIND AG concluded consulting contracts for the provision of EDP services with net.curity InformationsTechnologien GmbH, whose managing shareholder, Mr. Rafael Vazquez Gonzales, is a member of the Supervisory Board. During the first quarter of 2014, transactions were effected in this respect with a net volume of euro 61,293.47 (prior year euro 62,487.76). This amount includes a sum of euro 0.00 (prior year: euro 0.00) for investments by PNE WIND AG in software and hardware equipment. These business transactions were undertaken on an arm's length

basis. As at March 31, 2014, there was a liability from this transaction in the amount of TEUR 6 (prior year: TEUR 3).

net.curity InformationsTechnologien GmbH is responsible for the functioning of the electronic data processing of PNE WIND AG including maintenance and repair of the equipment as well as for the updating of the programmes. Moreover, it provides the necessary server and hard disk capacities as well as the technical service for the Company's website and communications capabilities.

9. Sales and marketing

The sale of onshore wind farm projects is based on direct sales to large and individual investors. PNE WIND AG has had positive experiences with such direct sales during the past few years and will continue to follow this proven course. For the realization of offshore wind farm projects it remains our intention to continue to work with strong partners.

10. Development and innovations

During the period under report there were no research and development activities in the Group of PNE WIND AG.

11. Major events subsequent to the period under report

On April 4, 2014, PNE WIND AG and STEAG GmbH signed a cooperation agreement. The parties agreed to establish a joint company with the goal to jointly develop wind farm projects in Turkey going forward. PNE WIND and STEAG will each hold a 50 percent stake in the company.

PNE WIND AG brings into the joint company a number of wind farm projects in planning with a total nominal capacity of up to 700 MW, as well as its expertise in wind project development.

STEAG is about 30 years in the Turkish energy market. Since 2007 the company has been active developing wind energy projects and expects positive synergies effects from this agreement with PNE WIND. Since 2003, STEAG has operated a 1,320 MW coal-fired power plant in Iskenderun and has also developed wind projects in Turkey for a number of years.

The projects being developed by the joint venture are now being prepared to take place in the next round of tenders for wind farms in Turkey.

12. Intangible assets / sustainable development

The successful development of wind farm projects onshore and offshore is based primarily on the knowledge and experience of employees of many years standing as well as on cooperation based on confidence with other participating partners. Creativity is frequently required for the solution of the many complex problems during the development phase of a wind farm. The value of a wind farm project, from which the commercial success of PNE WIND AG depends, is created primarily in the planning phase up to the approval. In this respect we can rely on the competence and experience of our employees who do not only have excellent expertise in the branch but also, moreover, maintain very good networks.

As a result it is assured that one can rely on a high degree of professional competence in all phases and areas of the development, realisation and marketing of wind farm projects. Furthermore, we place great importance on the fact that the potential of our employees can be used optimally through an effective internal organisation and a high degree of self-responsibility. Regular evaluations of the employees and their tasks enable us to constantly adjust in a performance-related manner specially tailored requirement profiles to the corresponding tasks. In this way high standards can be achieved and maintained in the most varied areas of tasks. Our expertise in the market should be strengthened further through the assurance of the qualifications of our employees and the constant optimisation of the processes.

From practice we have implemented many years of experience in project development into processes, which have enabled us to conclude successfully in a specific and intensive manner all phases of projecting from the acquisition of the site up to the turnkey construction.

We know about the great importance of experienced partners also within the context of international expansion. We therefore respect our policy of only entering new markets if we can do this jointly with local partners who have good networks in such markets. In this respect the principle also applies of professionally qualified cooperation based on trust with the project partners and other participants.

It is also important to maintain the network of partners and supporters of our business model which we have built up over many years. Since wind farm projecting is based on general political conditions these are closely linked with the activities of the branch associations and are used to maintain constant dialogue.

With the training and qualification of young people we are assuring training places and are assuming social responsibilities. As a general rule the young employees remain with the Company after training.

In order to document more firmly in the market this focussing on the core business of wind farm projecting and the competence connected therewith, the corporate name "PNE WIND AG" will be developed increasingly into a brand within the context of continuous marketing. Our objective is to document nationally and internationally our "passion for energy" even more intensively to the outside and thus to increase the value of the brand.

We are making a substantial contribution to the reduction of damaging climatic gases with the wind farms projected and operated by us. Alone the "Altenbruch II" wind farm avoids the annual emission of approximately 38,000 tons of carbon dioxide, 197 tons of sulphur dioxide and 49 tons of nitric oxide. However, the generation of electricity from wind power does not only make positive contributions to the environment but also contributes to saving the limited reserves of fossil fuels, since these are far too valuable just to be burned. From an economic point of view there is a positive effect that the generation of electricity is decentralised and thus the imports of expensive fuels are reduced and avoided. Value added is created where electricity is generated from wind power. As a result the wind farms projected and operated by ourselves are assuring generation of electricity in the future in an ecologically meaningful and economically correct manner.

13. Report of opportunities and risks

General factors

As a result of its business activities the Group and the individual consolidated companies are exposed to risks which are inseparable from its entrepreneurial activities. Through our internal risk management system we are minimising the risks associated with our business activity and invest only if a corresponding value added can be created for the Company while maintaining a manageable risk. Risk management is a continuous process. An evaluation of the determined risks is made based on the analysis of the core processes. A risk report is submitted regularly to the Board of Management and to the Supervisory Board.

Risks from operating activities

A major risk is the approval risk of projects. In the event of time delays with regard to permits, this can lead to postponements in the flow of liquidity, higher prepayment requirements as well as the loss of the planned recuperation of the funds. Furthermore, projects in such cases can become uneconomical, which can lead to the write-off of work in process which has already been capitalised. Apart from the inventories, this risk can also have an effect on the value of the receivables. Should the offshore projects not be able to be realised, this may result in fixed assets requiring to be written off. The operating opportunities in the projecting of wind farms can, however, only be realised if such entrepreneurial risks are accepted.

Time delays can occur in the implementation of the projects also due to the uncertain date of the issuing of approvals and the commitments for network connections, possible complaints in respect of permits already granted, the availability at the right time of wind power turbines or the availability at the right time of other necessary preconditions and components for the construction

of a wind farm. Through comprehensive project controlling we attempt to take these complex requirements into consideration at the right time.

The number of suitable sites in Germany for the construction of wind power turbines is limited. This can result in the future in an increase in the competition for these sites and thus also the acquisition costs for such sites, such as, for example, compensation for use of sites which would reduce the targeted profit contribution.

Within the context of project realisation the Company must rely on being able to cover its capital requirements resulting from the liabilities arising in the future or which may become due in the future. Furthermore, additional capital requirements might arise if and insofar as PNE WIND AG should be required to honour guarantees which it has granted or other comparable commitments or should any other of the risks described in this paragraph occur.

A risk for the future development is attributable to the areas of financing and the sale of wind farm projects, as is the case with all companies which project wind farms. In order to meet this risk PNE WIND AG has already since several years selected the sales channel of "individual and large investors". Negative effects from rising rates of interest on the project marketing, cannot, however, be excluded, since rising interest rates lead to higher project costs. In addition, rising capital market interest rates can simultaneously lead to declining sales prices, since the requirements of the individual and large investors for a return on the project may increase in this case.

The financing available to WKN AG is subject in part to variable interest rates, which are mainly linked to the 3 month EURIBOR or the EONIA. Apart from a small partial amount WKN AG has not hedged against rising interest rates.

Risks in respect of project realisation could result from a financial crisis and the reticence resulting there from on the part of the banks with regard to project financing. Nevertheless, the Kreditanstalt für Wiederaufbau (KfW) is implementing the programme resolved by the Federal Government whereby euro 5 billion will be made available for the first ten German offshore wind farm projects.

Financing risks also exist on the part of our partner companies with regard to offshore wind farm projects. Depending on the progress of the project, payments are still due to PNE WIND AG for the "Borkum Riffgrund II", "Nautilus II" as well as "Gode Wind" 3 and 4. The purchasers of the project shares have to date made no decision as to whether they wish to construct the projects. It can therefore not be assumed with certainty that the projects will be realised. A failure of these projects would have no major effects on the short or medium term asset, financial and earnings situation of PNE WIND AG, even if the planned payments were not to be received, since these represent either an amount of only a few millions or are expected beyond the short to medium term planning period.

Liquidity risks for the financing of the operating business during the course of the year exist in particular if the closings of project sales are delayed.

Refinancing risks could occur taking into account the many years required for project development, when the two participation certificate issues of WKN AG expire in December 2014 and when the KfW loan to WKN AG is due in June 2016.

Risks could arise for the planned implementation periods for the "Nemo", "Jules Verne" and "Nautilus" as well as the "Atlantis I – III" offshore wind farm projects due to time delays in the planning and construction of the network connections. A delay or a non-consideration of the projects with regard to the network connections would have effects on the future asset, financial and earnings situation of PNE WIND AG.

For all the offshore wind farms projected by PNE WIND AG in the offshore wind power segment it is of great importance to find a strong capital investor, since the realisation of an offshore wind farm requires very high investment costs.

A supplier risk exists in the wind power turbine sector due to the growing worldwide demand in relation to the available capacities. In spite of the swift expansion of capacities at the manufacturers of wind power turbines, delivery bottlenecks cannot be excluded in the event of further increases in international demand. Such delivery bottlenecks could lead to delays in the realisation of wind power projects. The Company therefore places great importance on the conclusion at the earliest possible moment of delivery contracts with reputable manufacturers of wind power turbines as well as with other suppliers (e.g. foundations) and the agreement for delivery on schedule.

Medium or long term currency risks could arise in respect of projects in the international sector. In the operating field foreign currency risks result primarily from the fact that planned transactions are undertaken in a currency other than the euro. With regard to investments foreign currency risks may arise mainly from the acquisitions or divestments of foreign companies. It is planned to undertake the hedging of key foreign exchange transactions with third parties outside the Group through currency hedging transactions.

With regard to the risk of long term loan obligations and the interest payments resulting from this, hedging transactions (SWAPs) are concluded in individual cases, which could lead to an additional strain on the Company.

From the issue of the 2013/2018 bond and the covenants concerning the equity ratio included in the bond conditions increased interest payments could arise or there could be a termination right on the part of the bond subscriber prior to the scheduled maturity in the event of a breach of the covenant. Increased interest payments on the bond would have no significant effects on the future asset, financial and earnings situation of PNE WIND AG. A termination of the bond by the subscribers prior to the scheduled maturity of the bond would have substantial effects in the future short and medium term on the future asset, financial and earnings situation of PNE WIND AG. The credit rating of PNE WIND AG was renewed in April 2014. For the next twelve months, the rating agency believes that a credit rating downgrade may be possible. This could potentially have a negative impact on the refinancing costs of the Company in the future.

Risks from the majority shareholding in WKN AG

The purchase price paid by PNE WIND for the acquisition of the total participation in WKN AG could prove to have been too high and could result in a high outflow of funds as well as downward pressure on results due to write-offs.

The assumptions made by PNE WIND regarding the facts and the business development of WKN AG may prove to have been too optimistic and/or PNE WIND could have estimated risks in connection with the business activity of the WKN Group wrongly or too optimistically.

WKN AG is an independent company within the PNE WIND Group, on whose business activity no direct influence can be taken on the part of PNE WIND. For this reason as well as due to the fact that the WKN Group has third party shareholders, there could be difficulties with the implementation of the strategy to acquire the total participation in WKN AG and the use of synergy effects could prove to be difficult.

The WKN Group could in the future not be in a position to cover its financing requirements, in particular in the event of the maturity of larger third party liabilities. This could lead to increased expenses and guarantee obligations on the part of PNE WIND AG.

Apart from the projecting of wind power turbines, the WKN Group is also to a small extent active in the area of the projecting of photovoltaic equipment. This results in PNE WIND being subject to various risks in connection with the development and projecting of photovoltaic farms.

There are risks for the WKN Group in connection with the operation of the Passauer Land photovoltaic farm, such as too high earnings expectations, too low estimates of the operating costs and thus also a possible additional requirement for liquidity.

From the taking down of the syndicated loan in the amount of euro 29 million and also from the covenant included in the loan contract regarding the maintenance of an equity ratio, an interest cover ratio or a gearing factor, there is the risk of increased interest rates in the event of a breach of the covenant or the right of the banks to terminate the syndicated loan prior to scheduled maturity (2016). Increased interest payments for the taking down of the loan would have no significant effects on the future asset, financial and earnings situation of the PNE Group. A termination of the syndicated loan by the banks prior to the scheduled maturity date could have substantial effects on the future short and medium term asset, financial and earnings situation of WKN AG and thus also on PNE WIND AG, depending on the relative amount of the syndicated loan taken down.

Political risks/market risks

Incalculable risks can also affect the market from outside. These include in particular a sudden change in the general legal conditions in Germany or in the foreign markets. In Germany deterioration from the point of view of the Company cannot be excluded, since the federal government decided on April 8 on a draft amendment to the Renewable Energy Sources Act (EEG) which provides for lower remuneration framework for wind power. The Management Board of

PNE WIND AG is however of the opinion that wind farms can continue to be economically developed and operated according to the proposed amendments to the legal framework.

The political risks and the market risks abroad could have effects on the planned project implementations during the next few years. PNE WIND AG and its subsidiaries are intensively observing the current market developments abroad, in order to recognise at as an early stage as possible to changes in the market situation or the political landscape and to introduce any measures at the right time.

Legal risks

All recognisable risks are reviewed constantly and are taken into consideration in this report as well as in the corporate planning. The Board of Management considers the risks to be fairly clear and thus assumes that they will have no material negative influence on the development of the Company. These include also risks from cases not yet legally concluded.

Tax risks

PNE WIND AG and its subsidiaries Group companies are currently active in 14 countries in the world and are thus subject to many different tax laws and regulations. Changes in these areas could lead to higher tax expenses and to higher tax payments. Furthermore, changes in the tax laws and regulations could also have an influence on our tax receivables and tax liabilities as well as on deferred taxes carried as assets and liabilities. We are operating in countries with complex tax regulations which could be interpreted in different ways. Future interpretations and development of tax laws and regulations could have an influence on our tax liabilities, profitability and our business operations. In order to minimise these risks, we are working continuously throughout the Group with specific tax consultants from the relative countries and are analysing the current tax situation.

The last external audit of corporation, trade and value added tax of the major domestic companies of the PNE WIND AG Group covered the tax periods from January 1, 2006 up to and including December 31, 2010 and that of WKN AG and its subsidiaries for the period up to December 31, 2006. In the case of external audits there is the risk that the results of the external audit can have effects on the asset, financial and earnings situation of the company in the future annual and consolidated accounts.

Opportunities

As a developer of onshore and offshore wind farms the PNE WIND Group is active in an attractive growth market. Independent studies assume high rates of growth for wind power during the next few years due to the finite state of fossil fuels, the pressure for the reduction of dangerous climate emissions as well as the requirement for secure sources of energy. In this respect the companies in the PNE WIND Group have available from its many years of activity in the market the pre-requisites in order to benefit in the long term from this development.

The activities abroad offer special opportunities for the Company. The PNE WIND Group has thus already expanded its business activity into attractive growth markets. In this respect the expansion

is taking place primarily in countries with stable political general conditions and reliable feed-in and promotion regulations or also in countries with comparably high market potential. In order to take into consideration sufficiently the corresponding local conditions, the market introduction always takes place in cooperation with a local partner, whereby the companies of the PNE WIND Group assures its necessary management and controlling rights by means of a significant participation and essentially on the other hand finance mainly completely the project development work. This type of internationalisation has already proven itself during the past few years as a cost-efficient and potentially successful strategy. Joint ventures were therefore established in accordance with this model for wind farm projects in Bulgaria, Turkey, Romania and the United Kingdom as well as by WKN in all the international markets in which it is active. The subsidiaries of PNE WIND AG established in the USA and Hungary will also follow this strategy. In the future PNE WIND AG will thus also pursue this policy for selective foreign expansion and take advantage decisively of existing market opportunities. For this purpose a continuous observation takes place with regard to other wind power markets as well as a careful analysis of corresponding market introduction opportunities.

Apart from the perspectives of internationalisation, the established German market continues to offer a range of opportunities. In addition to proposed annual instalment corridor of 2,400 - 2,600 MW in the coming years, an increase in the replacement rate of obsolete wind turbines with more modern and efficient equipment (so-called repowering) is expected. The German Wind Energy Association (BWE) estimates an annual volume of around 1,000 MW. Generally speaking, wind farms which are suitable for repowering are located in areas prioritised for wind power which eases planning and acceptance.

In addition, there is the planned expansion of German offshore wind power. In this respect Germany, which otherwise was considered a pioneer with regard to wind power, is still in the initial phase. The ambitious climate objectives of the Federal German Government and the necessity for increasing the security of supply require the accelerated expansion of wind farms on the high seas. In this respect PNE WIND AG is distinguished by the fact that it has already carried out four offshore wind farm projects through the whole process up to the approval by the Federal Office for Shipping and Hydrographics, of which three have unconditional grid connection guarantees and are currently under construction. Six further own offshore projects as well as two additional projects, where PNE WIND AG is active as a service provider, are currently being developed in order to obtain the permits swiftly. In view of the major increase in importance of offshore wind power, positive effects can be expected also in this respect for the further business development of PNE WIND AG.

Finally, the growth of the wind power sector in Germany offers increased opportunities in the area of the provision of services. PNE WIND AG considers itself to be a reliable partner of the operators of wind farms and often looks after these following the transfer with regard to technical and commercial operating management. With the expansion of wind power projecting there is thus the possibility of an increase in the after-sales business, whereby this could lead to correspondingly favourable effects of the sales and earnings situation of the Company. The Group has repositioned

itself in the Operations and Management service area with the merger of PNE WIND AG and WKN AG activities into energy-consult GmbH. From the very start, the new company serves 650 wind turbines with more than 1,080 MW of rated power as well as photovoltaic systems. With its headquarters in Cuxhaven and offices in Husum, the energy-consult GmbH offers technical management services in the German and international markets.

Overall, a positive development of the Company can thus be expected in the coming fiscal years according to the estimates of the Board of Management.

14. Controlling system

The controlling of the PNE WIND Group is based on regular discussions between the Board of Management and the corporate units; meetings of the Board of Management take place regularly. The internal controlling system covers all areas of the Company. As a result short reaction times can be guaranteed to changes in all areas and at all decision levels of the PNE WIND Group. Any changes with significant effect on the results are reported immediately to the Board of Management.

The starting point for the controlling of the overall Group and the corporate units is the targets set by the Board of Management, which are derived from the vision, mission and the overall strategy of the PNE WIND Group. A key instrument for the implementation of the targets and objectives is the totality of the internal regulations of the PNE WIND Group.

The corporate units report monthly on the current developments and deviations from the targets. Moreover, early operating indicators are continuously analysed.

A regular exchange takes place between the Board of Management and the business divisions in which an overview is given of the corresponding market situation. Furthermore, during the course of the year major topics are also discussed such as the determination of the strategy and its systematic implementation within the context of the annual and medium term planning as well as the target agreements and their achievement.

The controlling of the activities of our operating units takes place on the basis of the stated controlling key data; in this respect the EBIT result is given high importance, since this is in our opinion the appropriate data for the judgement of the earnings power of the PNE WIND Group. On the basis of the controlling EBIT data a comparison is made in the PNE WIND Group between the annual and the forecasted development of the business.

15. Description of the key characteristics of ICS/RMS of the parent company and the total Group

Internal control system (ICS)

The target of the methods and measures set up by us is to secure the assets of the Company and to increase the operating efficiency. The reliability of the accounting and reporting systems as well as the compliance with the internal guidelines and legal regulations should be guaranteed by the internal control system (ICS) which has been installed.

Within the context of the implementation of the ICS we have subjected the individual functional departments of the Company and of the Group to a detailed analysis and evaluated accordingly the probability and the possibility of the occurrence of any damage.

We have organised the structure of the individual units based on the knowledge gained and on the evaluations made. Moreover, we have adapted the work processes to the knowledge obtained. For example, we pay attention to a consistent separation of incompatible activities and in addition we have introduced appropriate control ranges. Furthermore, we place a high value on the non-overlapping of responsibilities, with the stipulation that tasks, competence and responsibility are combined. Simultaneously, we have integrated controls into the work processes.

The key above-mentioned characteristics of the ICS are applied in all functional areas of the parent company and the total Group. The implementation of the organisational structural and process controls in the area of the internal control system ensures the integrity of the data in the accounting process which are included in the financial reports.

Apart from the controls implemented in the system the individual functional departments are also monitored by managers.

Key characteristics of the accounting related internal control and risk management system

The objective of the internal control and risk management system with regard to the (Group) accounting process is to assure that the accounting is carried out in a standard manner and in compliance with the legal regulations, the principles of orderly accounting as well as in accordance with the International Financial Reporting Standards (IFRS) and Group internal guidelines, so that the recipients of the consolidated and individual financial statements have at their disposal pertinent and reliable information. PNE has set up an accounting related internal control and risk management system for this, which comprises all relevant guidelines, processes and measures.

The internal consists of the control and audit departments.

The Board of Management and the Supervisory Board (in this respect in particular the Audit Committee) are an integral part of the internal monitoring system with audit measures independent of the process.

The Group accounting department serves as the central contact point for special, specific questions and complex capitalisation matters. If necessary, external experts (auditors, qualified experts etc.) can be involved.

Moreover, the accounting related controls are carried out by the Group controlling department. All items and key accounts of the statement of comprehensive income and the statement of financial position of the consolidated accounts and the companies included in the scope of consolidation are monitored at regular stages with regard to their correctness and plausibility. The controls are carried out either monthly or on a quarterly basis, depending on how the accounting related data are drawn up by the accounting department.

The accounting related risk management system is an integral part of the risk management of the Group. The risks relevant for the correctness of the accounting related data are monitored by the person responsible for risks for the risk area of finance and are identified, documented and assessed quarterly by the risk management committee. Suitable measures have been set up by the risk management of the Group for the monitoring and risk optimisation of accounting related risks.

Risk management (RMS)

The risk policy of the Group and of the Company forms part of the corporate strategy and is aimed at securing the substance of the Group as well as the Company and simultaneously at increasing their value systematically and continuously.

The risk strategy is based on a valuation of the risks as well as the opportunities related thereto. In the areas of key competence of the Group and of the Company we focus on appropriate, visible and controllable risks if they simultaneously lead to an appropriate income or are unavoidable. In certain cases we transfer risks in supporting processes to other risk areas. Other risks, which have no connection with key and/or support processes, are on the other hand avoided insofar as this may be possible.

The Group has formulated the general conditions for a qualified and future orientated risk management in the "Risk Management Handbook". This handbook regulates the specific processes in risk management. It aims for the systematic identification, evaluation, control and documentation of risks. In this respect and taking into consideration clearly defined categories, it identifies the risks of the divisions, the operating units, the important associated companies as well as the central departments and evaluates them with regard to the likelihood of their occurring and the possible level of damage. The reporting is controlled by value limits defined by the management.

The individual risks are classified as part of internal risk reporting within the Group on the basis of the likelihood and potential impact.

The key Classification of probability

Probability	Description
0 % to 5 %	Very low
6 % to 20 %	Low
21 % to 50 %	Middle
51 % to 100 %	High

Classification according to the degree of influence

Expected impact in TEUR	Degree of impact
TEUR 0 to TEUR 250	Low
>TEUR 250 to TEUR 1,000	Moderate
>TEUR 1,000 to TEUR 2,000	Considerable
>TEUR 2,000 to TEUR 40,000	Very high

The risk classification of High, Middle and Low results from the combination of the expected probability and the degree of influence.

Impact				
Very high	Middle	High	High	High
Considerable	Middle	Middle	High	High
Moderate	Low	Middle	Middle	High
Low	Low	Low	Middle	Middle
Probability	Very low	Low	Middle	High

It is the task of the persons responsible to develop and possibly to initiate measures for the avoidance, reduction and securing of risks. The key risks as well as the counter-measures introduced are monitored at regular intervals. The central risk management reports regularly on the identified risks to the Board of Management and the Supervisory Board. In addition to the regular reporting there is also an obligation for spontaneous internal Group reporting for risks which arise unexpectedly. The risk management enables the Board of Management to recognise risks at an early stage and to introduce counter-measures.

The key characteristics of the risk management system described above are applied throughout the Group. With regard to the processes in the consolidated accounting this means that the identified risks are examined and evaluated in the corresponding financial reports especially with regard to their possible effects on the reporting. Through this, important information is generated at an early stage about potentially possible fair value changes of assets and liabilities, pending losses of value are identified and important information is gained for the assessment of the necessity for the setting up/release of provisions.

The appropriateness and the efficiency of the risk management as well as the control systems pertaining thereto are controlled and amended accordingly at the level of the Board of Management at regular intervals. Due to the particular importance of exemplary action in all business areas, executive employees are trained specifically with regard to questions of compliance.

Finally it should be noted that neither the ICS nor the RMS can give absolute security with regard to the achievement of the corresponding objectives. Like all measurement decisions, also those for the development of appropriate systems can in principle be wrong. Controls can be ineffectual as a result of simple mistakes or errors in individual cases or changes of environmental variables can be recognised at a late stage in spite of corresponding monitoring.

In particular the following individual risks are currently being monitored intensively within the context of the risk management process:

- Possible claims from the financing and prospectus liability of older wind farms for which the maturities have not yet expired.
- Possible technical risks which may arise from our own operation of wind farms and which could influence negatively the results expected there from.
- Possible risks which could arise from changes in laws and regulations for our operating business in wind farm projecting.
- Particular importance is given to the compliance with the regulations of the German Corporate Governance Code in its correspondingly valid version. Risks could also arise, however, from the non-compliance of the regulations and the internal guidelines by individuals. Possible risks relating to the "Law on the Appropriateness of Remuneration of the Board of Management (VorstAG)" are regularly monitored in this connection.

16. Management declaration (Section 289a of the German Commercial Code (HGB))

The management declaration is published on our internet page www.pnewind.com in the section "Investor Relations" under Corporate Governance and can be downloaded from there.

17. Outlook/Forecast

Project development and the realisation of wind farms is the core business of the companies in the PNE WIND Group. The Group is active in Germany and 13 international markets through PNE WIND AG and WKN AG and their subsidiary companies and joint ventures.

The expansion of renewable energies is a topic which is being discussed throughout the world. More and more countries are stressing the urgent need to change the energy mix in favour of renewable energies and are creating framework conditions to allow the expansion to take place on both ecologically and economically sensible terms. Wind energy benefits from this trend and technological developments enable it to produce reliable energy in an efficient and cost effective manner.

Germany remains one of our core markets. We therefore welcome the German Federal Government's proposal in the upcoming Renewable Energies Law (EEG) to specify a target for the expansion of renewable energies in total electricity production reach 55 to 60 percent by the year 2035. This will require more or less a doubling of the presently installed capacity. Onshore and offshore wind farms are supporting pillars of the expansion needed to achieve the Government's aims. The decision to extend the remuneration system for electricity produced from offshore wind farms until the end of 2019 gives us planning security for our offshore projects. Growth prospects remain for the onshore sector both in the development of new wind farm locations as well as in repowering. With over 30,000 MW of nominal wind power capacity installed in Germany, we can already see new opportunities to replace old systems with new and more efficient turbines.

The internationalisation of our activities opens up additional growth opportunities and also means that we can spread risks more effectively. Geographic diversification gives the PNE WIND Group access to the global wind energy market as well as the opportunity to minimise risks related to individual markets.

While our list of references already shows successfully realised projects with 2,000 MW of nominal output, our onshore project pipeline with more than 4,800 MW of nominal output in various phases of project development is our basis for future growth.

The PNE WIND Group is very well positioned onshore and offshore as well as nationally and internationally. We are therefore very confident of being able to exploit the opportunities in the growth market, "wind", in the future.

In Germany, we expect to be able to conclude or to begin construction on projects with approx. 150 MW of nominal capacity during the current year. Of these, 100 MW are already under construction and a further 23 MW have been approved. Abroad, Group companies have approved projects with a nominal output of approx. 150 MW in the United Kingdom, France and Romania which can be realised or sold.

PNE WIND AG expects to realise continued positive EBIT results from its operational business during the three financial years from 2014 to 2016. Together with our domestic and foreign activities, we expect this to constitute the major part of our cumulative Group EBIT forecast. We expect a cumulative Group EBIT of euro 110 to 130 million in the financial years from 2014 to 2016.

Cuxhaven, May 13, 2014

PNE WIND AG, Board of Management

Consolidated interim financial statement (IFRS)

of PNE WIND AG, Cuxhaven, as at March 31, 2014

All figures in TEUR (differences due to rounding possible)	I. Quarter 01.01.2014 - 31.03.2014	I. Quarter 01.01.2013 - 31.03.2013
1. Revenues	32,939	12,174
2. Changes in inventories of finished goods and work in process	10,109	2,250
3. Other capitalised contributions	0	0
4. Other operating income	614	184
5. Total aggregate output	43,662	14,608
6. Cost of materials/cost of purchased services	-30,551	-9,161
7. Personnel expenses	-7,156	-3,796
8. Amortisation of intangible assets and depreciation of property, plant and equipment	-1,855	-1,272
9. Other operating expenses	-4,921	-2,909
10. Operating profit	-821	-2,530
11. Income from participations	17	0
12. Other interest and similar income	437	239
13. Interest and similar expenses	-3,840	-1,352
14. Expenses from assumption of losses	-5	0
15. Result from ordinary activities	-4,212	-3,643
16. Taxes on income	-1,276	-300
17. Other taxes	-54	-15
18. Profit/loss before minority interests	-5,542	-3,958
19. Non-controlling interests	-362	-118
20. Consolidated profit/loss	-5,180	-3,840
Other income/items that may be reclassified in the future in the profit and loss account		
21. Foreign currency translation differences	91	-101
22. Others	0	0
23. Other comprehensive income for the period (net of tax)	91	-101
24. Total comprehensive income for the period	-5,451	-4,059
Consolidated profit/loss for the period attributable to:		
Owners of the parent company	-5,542	-3,958
Non-controlling interests	-5,180	-3,840
	-362	-118
Total comprehensive income for the period attributable to:		
Owners of the parent company	-5,451	-4,059
Non-controlling interests	-5,089	-3,941
	-362	-118
Earnings per share (undiluted) EUR	-0.09	-0.09
Earnings per share (diluted) EUR	-0.09	-0.06
Weighted average number of shares in circulation (undiluted) million	54.9	42.3
Weighted average number of shares in circulation (diluted) million	59.1	55.4

Abbreviated group balance sheet (IFRS)

of PNE WIND AG, Cuxhaven, as at March 31, 2014

Assets

All figures in TEUR (differences due to rounding possible)	as per 31.03.2014	as per 31.12.2013
Intangible assets	56,232	56,343
Property plant and equipment	75,973	76,089
Long term financial assets	8,664	8,605
Deferred tax assets	10,069	9,150
Long term assets, total	150,938	150,187
Assets held for sale	770	753
Inventories	149,789	145,860
Receivables and other assets	68,473	60,739
Cash and cash equivalents	60,022	77,402
Current assets, total	278,284	284,001
Assets total	429,992	434,941

Liabilities

All figures in TEUR (differences due to rounding possible)	as per 31.03.2014	as per 31.12.2013
Subscribed capital	54,867	54,858
Capital reserve	55,556	55,546
Treasury shares	0	0
Retained earnings	51	51
Foreign currency provision	-621	-712
Retained Profit/Loss	29,994	35,173
Minority interests	5,330	5,693
Shareholders equity, total	145,177	150,609
Other provisions	9,506	9,457
Deferred subsidies from public authorities	1,031	1,043
Long term financial liabilities	174,875	172,475
Deferred tax liabilities	4,063	1,913
Long term liabilities, total	189,475	184,888
Provisions for taxes	1,922	1,919
Other provisions	776	735
Short term financial liabilities	41,234	38,979
Trade liabilities	11,843	12,093
Other liabilities	39,560	45,710
Short term liabilities, total	95,335	99,436
Liabilities held for sale	5	8
Liabilities total	429,992	434,941

Consolidated cash flow statement (IFRS)

of PNE WIND AG, Cuxhaven, for the first three months of 2014

Consolidated accounts from 1 January until March 31, 2014		
All figures in TEUR (differences due to rounding possible)	2014	2013
Consolidated net loss	-5,542	-3,958
- Income tax benefit/expense	1,276	300
-/+ Interest income and expense	3,403	1,113
-/+ Income tax paid/received	-9	-71
+/- Amortisation and depreciation of intangible assets and property, plant and equipment	1,855	1,272
+/- Increase/decrease in provisions	97	-26
+/- Non-cash effective income and expenses	98	-103
+/- Increase/decrease of inventories and other assets	-3,079	-4,794
+/- Increase/decrease of trade receivables and stage of completion accounting	-10,540	19,495
+/- Increase/decrease of trade liabilities and other liabilities	-6,552	2,351
- Interest paid	-1,040	-496
+ Interest received	184	239
Cash flow from operating activities	-19,849	15,322
+ Inflow of funds from disposal of items of property, plant and equipment	40	8
+ Inflow of funds from intangible assets	28	0
+ Inflow of funds from disposal of financial assets	0	0
- Outflow of funds for investments in property, plant and equipment and intangible assets	-1,694	-292
+ Inflow of funds from disposal of consolidated units	0	0
- Outflow of funds for investments in consolidated units	0	-607
- Outflow of funds from disposal of financial assets	-69	0
Cash flow from the investing activity	-1,695	-891
+ Additional inflow of funds from shareholders	0	559
+ Inflow of funds from minority interests	0	0
+ Inflow of funds from financial loans	-3,082	2,196
+ Inflow of funds from the issue of bonds	0	0
- Outflow of funds from the redemption of financial loans	7,247	-1,578
- Outflow of funds from the buyback of own shares	0	-9,220
- Outflow of funds for dividend	0	0
Cash Flow from financing activities	4,165	-8,043
Cash effective change in liquid funds	-17,379	6,388
+ Change in liquid funds due to changes in scope of consolidation	0	0
+ Liquid funds at the beginning of the period	77,402	36,586
Liquid funds at the end of the period*	60,023	42,974
* of which are pledged to a bank as security	1,775	459

Supplementary information: The value of liquid funds corresponds to the „Cash and cash equivalents“ item on the balance sheet as at March 31, 2014.

Group Equity Level (IFRS)

of PNE WIND AG, Cuxhaven, for the first three months of 2014

All figures in TEUR (differences due to rounding possible)	Capital subscribed	Capital reserve	Treasury shares	Profit reserves	Foreign exchange reserve	Retained earnings	Equity before minority	Minority Interests	Total sharehol- der equity
Status as per 1 January 2013	45,786	44,886	-1,510	51	-205	581	89,589	-2,994	86,595
Group result 01-03/2013	0	0	0	0	0	-3,840	-3,840	-118	-3,958
Purchase of treasury shares	0	0	-9,220	0	0	0	-9,220	0	-9,220
Conversion of convertible bond 2010/2014	254	305	0	0	0	0	559	0	559
Reclassification of minority interest within the scope of the increasing stake in PNE WIND UK	0	0	0	0	0	-1,334	-1,334	1,334	0
Other items	0	0	0	0	-101	-607	-708	0	-708
Status as per March 31, 2013	46,040	45,191	-10,730	51	-306	-5,200	75,046	-1,778	73,268
Status as per January 1, 2014	54,858	55,546	0	51	-712	35,173	144,916	5,693	150,609
Group result 01-03/2014	0	0	0	0	0	-5,180	-5,180	-362	-5,542
Conversion of convertible bond 2010/2014	9	10	0	0	0	0	19	0	19
Other items	0	0	0	0	91	0	91	0	91
Status as per March 31, 2014	54,867	55,556	0	51	-621	29,993	139,846	5,331	145,177

Condensed Notes to the Consolidated Financial Statements

of PNE WIND AG Cuxhaven for the first three months of 2014

1. Accounting and valuation policies

The financial report on the first nine months of the 2014 fiscal year of PNE WIND AG and its subsidiaries is drawn up according to the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), like they are applied in the European Union. New standards adopted by the IASB are in principle applied as from the time of their becoming effective as must be taken into consideration in the EU.

In the financial report for the three months ending March 31, 2014 the Company applied the same accounting and valuation methods as for the consolidated financial statements December 31, 2013.

Assets are classified as "Held for sale" if the carrying amounts are primarily to be realized through a sale transaction rather than through continuing use. These assets are measured at the lower of carrying value or fair value less costs to sell. These assets and are no longer systematically depreciated or amortized.

In the first three months of 2014, inventories in the amount of EUR 0.0 million were expensed.

Affiliated companies, upon which the Group as a rule exercises a significant influence due to its shareholding of between 20 percent and 50 percent, are valued according to the equity method. The book value of investments which are included in the consolidated accounts "at equity" is annually increased or reduced by the Group equity proportion corresponding to the equity changes. At the first inclusion of investments according to the equity method, value differences to the first consolidation are treated in accordance with the principles of full consolidation. The result of changes in the equity ratio which have an effect on the result including unplanned depreciation of the equity proportion of a transaction or goodwill value will be recorded at the level of investments valued at equity. Intercompany profits and losses were insignificant for these companies.

The interim financial statements were drawn up in line with the regulations of IAS 34. The tax expenditure of the PNE WIND Group is determined using an estimate of the taxable income of the relevant companies. The diluted consolidated earnings per share take account of the potential shares from convertible bonds in accordance with IAS 33.

2. Financial Assets

The following are among the group financial assets:

The long-term financial assets include direct holdings and shares of or loans to companies which are not included in the consolidated financial statements because of their minor importance in the context of a full consolidation. The investments are valued at cost.

Accounts receivables and other assets primarily include accounts receivable and loans receivable. These items as well as cash and cash equivalents represent the financial assets, which fall under the loans and receivables category of IAS 39 and are primarily short term in nature. The carrying amounts represent the approximate fair value as at the balance sheet date.

The financial liabilities represent participation rights, convertible bonds, bonds, liabilities to banks and other financial liabilities.

The fair values of the financial instruments were mainly determined on the basis of the market information available on the balance sheet date and are to be allocated to one of the three levels of the fair value hierarchy in accordance with IFRS 13.

Level 1 financial instruments are calculated on the basis of prices quoted on active markets for identical assets and liabilities. In Level 2, financial instruments are calculated on the basis of input factors which are derivable from observable market data or on the basis of market prices for similar instruments. Level 3 financial instruments are calculated on the basis of input factors which are not derivable from observable market data.

The determination of fair values in the consolidated balance sheet financial instruments described in the Notes is based on either quoted prices pursuant to Level 1 or based on information and input factors pursuant to level 2. Through the use of observable market parameters, the valuations do not differ from general market assumptions.

As at March 31, 2014 the financial instruments available for sale are valued at TEUR 2,036 pursuant to the Level 2 of the fair value hierarchy.

There are no financial instruments pursuant to the level 3 fair value hierarchy.

3. Consolidated group

We refer to the disclosures on the summary of business activity, the sales development, the results of operations, the financial position and the net assets as well as the corporate structure in the condensed interim group management report for the first three months of 2014.

4. Contingencies

The Company granted the shareholders of the Silbitz timber-fired power station an annual guaranteed dividend of the equity provided up to the year 2016 by way of a contract in the event that the Silbitz power plant is not able to pay relevant dividends from its own funds. Due to the present plans for the Silbitz power station the Company has formed provisions in the amount of euro 0.8 million. If the present plans are not realized in years 2014 to 2016 this amount might increase to a total of euro 1.2 million.

5. Major events following the end of the reporting period

International activities

On April 4, 2014, PNE WIND AG and STEAG GmbH signed a cooperation agreement. The parties agreed to establish a joint company with the goal to jointly develop wind farm projects in Turkey going forward. PNE WIND and STEAG will each hold a 50 percent stake in the company.

PNE WIND AG brings into the joint company a number of wind farm projects in planning with a total nominal capacity of up to 700 MW, as well as its expertise in wind project development.

STEAG is about 30 years in the Turkish energy market. Since 2007 the company has been active developing wind energy projects and expects positive synergies effects from this agreement with PNE WIND. Since 2003, STEAG has operated a 1,320 MW coal-fired power plant in Iskenderun and has also developed wind projects in Turkey for a number of years.

The projects being developed by the joint venture are now being prepared to take place in the next round of tenders for wind farms in Turkey.

Segment reporting pursuant to IFRS 8 according to areas

The internal organisation and management structure as well as internal reporting to the Board of Management and the Supervisory Board form the foundation for determining the operating segments of PNE WIND AG. As a result a categorisation is made into the two areas of projecting of wind power turbines and electricity generation.

The „Projecting of wind power turbines“ division entails project planning and realisation of wind farms in Germany and abroad („onshore“) and project planning of wind farms on the high seas („offshore“). Alongside this provision of services in connection with the operation of wind farms and the set-up and operation of transformer stations is part of this business segment. The core of operating activities is the discovery of suitable sites for wind farms and subsequent project planning and realisation thereof.

The „Electricity generation“ segment includes on the one hand the operation of the „Laubuseschbach“ and „Altenbruch II“ wind farms. On the other it entails the PNE Biomasse GmbH holding company which hires employees for the Silbitz timber-fired power station operating company on the basis of a corresponding contract for services and which also controls further contractual obligations of PNE WIND AG with regard to the Silbitz timber-fired power station. This includes in particular delivery of fuels to the Silbitz timber-fired power station operating company which is also allocated to this segment. Furthermore, the operation of the solar BGZ solar park Passau Land GmbH & Co. KG is part of the electricity generation business. Finally the „Electricity generation“ business area also includes the corporations in the legal form of a limited commercial partnership with a limited liability company as its partner (GmbH & Co. KG) which act as supporting companies until the implementation of a wind farm project and are then sold to the investor in question. The assignment of these corporations to the „Electricity generation“ segment is based on the background that they will be active in producing electricity as the future operator of a wind farm - albeit only after they have left the PNE WIND Group.

The assessment of the stated revenue and expense amounts as well as of segment assets and liabilities is based on the regulations for external accounting. A separate transition of individual pieces of segment information to the matching figures in the consolidated financial statements is not necessary for this reason.

As a matter of principle the business relationships between the companies of the Group are based on prices that are also agreed with third parties.

The figures per March 31, 2014 are compared with the figures per March 31, 2013 or in the case of segment assets/liabilities the figures per December 31, 2013.

All figures in TEUR (differences from rounding off possible)	Projecting of wind power turbines	Electricity generation	Consolidation	PNE WIND AG Group
	2014 2013	2014 2013	2014 2013	2014 2013
External sales	29,530 9,363	3,409 2,810	0 0	32,939 12,174
Inter-segment sales	11,795 787	140 140	-11,935 -927	0 0
Change in inventories	2,005 2,249	0 0	8,104 1	10,109 2,250
Other capitalised contributions	0 0	0 0	0 0	0 0
Other income	631 210	0 2	-18 -28	614 184
Total aggregate output	43,961 12,609	3,549 2,953	-3,849 -954	43,662 14,608
Depreciation	-723 -401	-1,132 -871	0 0	-1,855 -1,272
Operating income	843 -3,497	1,265 966	-2,928 0	-820 -2,531
Interest and similar income	1,981 652	2 178	-1,545 -591	438 239
Interest and similar expenses	-4,529 -1,346	-843 -597	1,545 591	-3,827 -1,352
Taxes	-2,112 -226	-43 -75	878 0	-1,276 -300
Investments	1,758 898	5 0	0 0	1,763 898
Segment assets	547,060 541,166	103,958 88,247	-221,026 -194,472	429,992 434,941
Segment liabilities	433,703 426,012	100,422 85,150	-249,309 -226,831	284,815 284,332
Segment shareholders' equity	113,357 115,154	3,536 3,096	28,283 32,358	145,177 150,609

Segment companies:

Projecting of wind power turbines: PNE WIND AG, PNE WIND Betriebsführungs GmbH, PNE WIND Netzprojekt GmbH, PNE Gode Wind III GmbH, PNE WIND Jules Verne GmbH, PNE WIND Nemo GmbH, PNE WIND Nautilus GmbH, PNE WIND GM Hungary Kft., PNE WIND Ausland GmbH, PNE WIND Straldja-Kamenec OOD, PNE WIND Bulgaria EOOD, PNE WIND BE Development OOD, PNE WIND Ventus Praventsi OOD, PNE WIND Yenilenebilir Enerjila Ltd., PNE WIND UK Ltd., NH North Hungarian Windfarm Kft., PNE WIND NEH/I Kft., PNE WIND PARK Dobrudzha OOD, PNE WIND USA Inc., PNE WIND Central States LLC, PNE WIND DEVELOPMENT LLC, Underwood Windfarm LLC, Butte Windfarm LLC, Chilocco WIND FARM LLC, PNE-BCP WIND Inc., PNE WIND Romania S.R.L., PNE WIND Romania Energy Holding S.R.L., S.C. PNE WIND MVI SRL, EVN WINDPOWER DEVELOPMENT & CONSTRUCTION S.R.L., PNE WIND Pusztahencse Kft., Wind Kapital Invest Verwaltungs GmbH, Wind Kapital Invest GmbH & Co. KG, PNE WIND Verwaltungs GmbH, PNE WIND Atlantis I GmbH, PNE WIND Atlantis II GmbH, PNE WIND Atlantis III GmbH. WKN AG, Windkraft Nord USA Inc, WKN Italia S.R.L., Aero Sol S.R.L., Aero-Tanna S.R.L., ATS Energia S.R.L., WKN Basilicata Development S.R.L., WKN France S.A.S.U.,

Parc Eolien de Crampon S.A.S.U., TOV WKN Ukraine, Ukrainische Windenergie Management GmbH, New Energy Association International GmbH, Sevivon Sp. z o.o., VKS Vindkraft Sverige AB, WKN Windcurrent SA (Pty) Ltd., NordStrom New Energy GmbH, WKN Windkraft Nord GmbH & Co., WKN Picardie Verte II S.A.S.U. (till 30.09.2013), BGZ Fondsverwaltung GmbH

Electricity generation: PNE Biomasse GmbH, PNE WIND Laubuseschbach GmbH & Co. KG, PNE WIND Altenbruch II GmbH & Co. KG, PNE WIND Grundstücks GmbH, Holzheizkraftwerk Silbitz GmbH & Co. KG, PNE WIND Park II GmbH & Co. KG (till 18.07.13), PNE WIND Park I GmbH & Co. KG, PNE WIND Park VI GmbH & Co. KG, PNE WIND Park VII GmbH & Co. KG, PNE WIND Park IX GmbH & Co. KG, PNE WIND Park Altdöbern A GmbH & Co. KG, PNE WIND Park Altdöbern B GmbH & Co. KG, PNE WIND Park Altdöbern C GmbH & Co. KG, PNE WIND Park Großräschen A GmbH & Co. KG, PNE WIND Park Großräschen B GmbH & Co. KG, PNE WIND Infrastruktur Chransdorf-West GmbH & Co. KG, PNE WIND Infrastruktur Chransdorf Vewaltungs GmbH, PNE WIND Park Calau II A GmbH & Co. KG, PNE WIND Park Calau II B GmbH & Co. KG, PNE WIND Park Calau II C GmbH & Co. KG, PNE WIND Park Calau II D GmbH & Co. KG, PNE WIND Park III GmbH & Co. KG, PNE WIND Infrastruktur Calau II GmbH, PNE WIND Park Köhlen I GmbH & Co. KG, PNE WIND Park Köhlen II GmbH & Co. KG, PNE WIND Park Kührstedt-Alfstedt A GmbH & Co. KG, PNE WIND Park Kührstedt-Alfstedt B GmbH & Co. KG, NordStrom Solar GmbH, NordStrom Bioenergie GmbH, BGZ Solarpark Passauer Land GmbH & Co. KG, Kommanditgesellschaften.

Of the figures in the „Projecting of wind power turbines“ segment, total performance of euro 39.4 million (previous year: euro 11.2 million), revenues of euro 29.1 million (previous year: euro 9.1 million), operating income of euro 1.7 million (previous year: euro -1.7 million), a share of segment assets of euro 391.2 million (as of December 31, 2013: euro 393.2 million), and an equity share of euro 90.6 million (as of December 31, 2013: euro 93.9 million) are allocated to the German wind power onshore subdivision. For the international onshore accounts, the following values can be ascribed; total performance of euro 3.6 million (previous year: euro 1.0 million), sales of euro 0.0 million (previous year: euro 0.0 million), operating income of euro 0.4 million (previous year: euro -1,0 million), a portion of segment assets of euro 126.8 million (as of December 31, 2013: euro 120.2 million) and an equity share of euro 27.5 million (as of December 31, 2013: euro 26.5 million).

Sales revenues with external customers and segment assets of the segments „Projecting of wind power turbines“ and „Electricity generation“ are attributable mainly to Germany. In segments „development of wind turbines“ and „electricity,“ revenues were realized with external customers who accounted for more than 10 percent of total revenues.

The basis of accounting for transactions between reporting segments is in line with the accounting principles applicable to the consolidated financial statements.

Cuxhaven May 13, 2014

PNE WIND AG Board of Management

Imprint

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This interim report includes statements concerning the future, which are subject to risks and uncertainties. They are estimations of the Board of Management of PNE WIND AG and reflect their current views with regard to future events. Such expressions concerning forecasts can be recognised with terms such as “expect”, “estimate”, “intend”, “can”, “will” and similar terms relating to the Company. Factors, which can have an effect or influence are, for example (without all being included): the development of the wind power market, competitive influences including price changes, regulatory measures and risks with the integration of newly acquired companies and participations. Should these or other risks and uncertainty factors take effect or should the assumptions underlying the forecasts prove to be incorrect, the results of PNE WIND AG could vary from those, which are expressed or implied in these forecasts. The Company assumes no obligation to update such expressions or forecasts.



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